

HOUSE BILL 1734

By Winningham

AN ACT to amend Tennessee Code Annotated, Title 8,  
Chapter 27, Part 3, relative to local education  
employee insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-27-303, is amended by deleting subdivision (j) in its entirety and substituting the following:

(j) Beginning July 1, 2007, each local education agency shall pay on behalf of each eligible employee, as defined in Section 8-27-302(e)(2), participating in the health insurance coverage authorized by Section 8-27-302(a) or subdivision (a)(2), a minimum of fifty percent (50%) of the premium collected on behalf of such employee. If the local education agency during the 2006-2007 fiscal year met the minimum requirement of fifty percent (50%), increased state Basic Education Program funds for the fiscal year 2007-2008 shall be used to increase professional employee compensation and shall not be used to supplant local funds used for professional employee compensation or fringe benefits. Distribution of a like amount to each eligible employee through a flexible spending arrangement authorized by Section 125 of the federal Internal Revenue Code shall satisfy the requirement of this subsection (j). Such amounts shall be certified to the commissioner of education and director of each local education agency by the local education insurance committee each fiscal year.

SECTION 2. Nothing in this act shall be construed to impair a contract in existence on the effective date of this act.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.